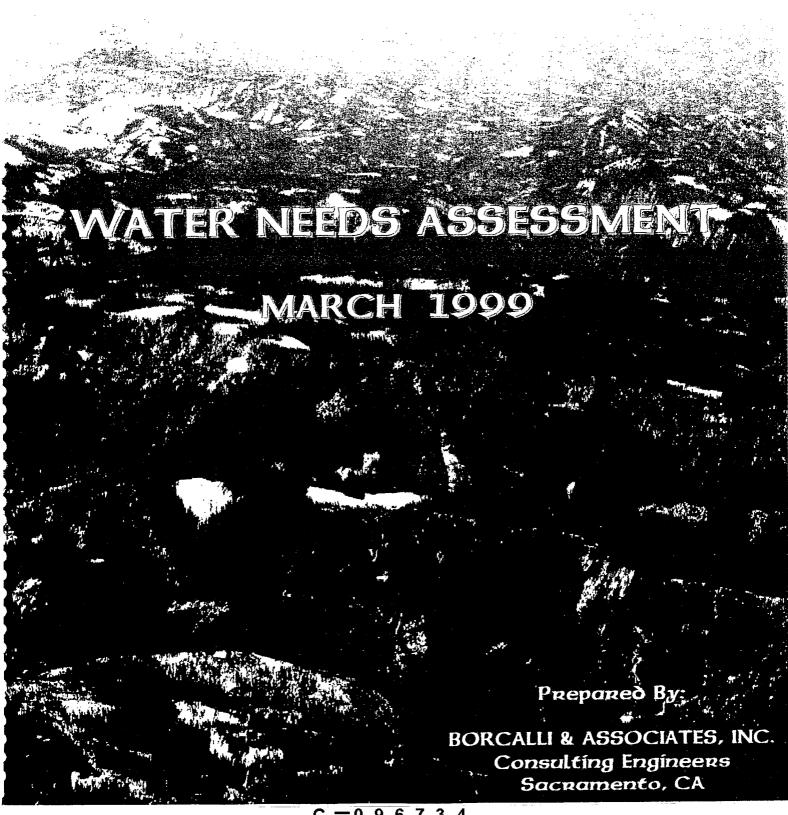
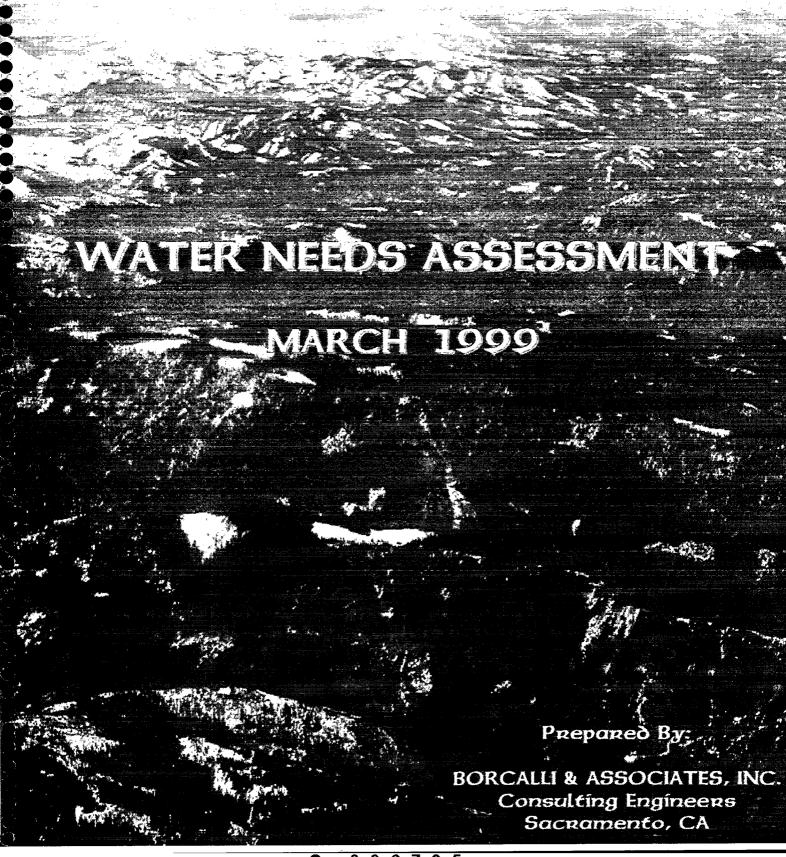
Documents attached to September 23, 1999, comment letter from Mountain Counties Water Resources Association (comment letter no. 1298)

• Water Needs Assessment (March 1999)

# MOUNTAIN COUNTIES WATER **RESOURCES ASSOCIATION** Central Sienna Counties, CA



# MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION Central Sierra Counties, CA



#### TABLE OF CONTENTS

		<u>PAGE</u>
INTI	RODUCTION	1
	The Mountain Counties Region	1 3 3 3
COU	UNTY PROFILES	
	Yuba County Nevada County Placer County El Dorado County Amador County Calaveras County Tuolumne County	
	LIST OF TABLES	
No.	<u>Title</u>	
1 2	Estimated Population	4 5
	LIST OF MAPS	
No.	<u>Title</u>	
1	MCWRA and RCRC Regions	2
	APPENDIX	
	<u>Title</u>	
A	Mountain Counties Water Resources Association Proposal for a CalFed Solution	ı
	ain Counties Water Resources Association -ii- Borcalli & Ass Needs Assessment	ociates, Inc. March 1999

This water needs assessment was prepared for the Mountain Counties Water Resources Association (Association)<sup>1</sup>/<sub>2</sub> to: (1) facilitate an understanding within the Association of the water needs of its members; and (2) facilitate effective participation of the Association's members, from a "County of Origin" perspective, in the CalFed process which addresses Bay Delta and other statewide water issues. In this regard, it is the intent in preparing this document to identify:

- The magnitude and point in time when supplemental water supplies will be required to meet the increasing water demands of the Mountain Counties region (Region).
- Potential solutions to meet the increased demands.
- Problems or constraints in implementing potential solutions.

Included in this Assessment is a copy of the "Mountain Counties Water Resources Association Proposal for a CalFed Solution," which was submitted to Secretary of the Interior, Mr. Bruce Babbitt, on December 7, 1998, for his consideration in structuring a final CalFed solution (Appendix A). This document summarizes the region's limiting geographic and demographic characteristics, and its water supply needs and constraints. It emphasizes the region's need for additional surface storage, watershed management, and direct State monetary grants or low interest loans to enable the Mountain Counties region to fulfill developing its county of origin water rights.

#### THE MOUNTAIN COUNTIES REGION

The Association, whose members include counties and special districts, represents a major portion of the watersheds on the western slope of the Sierra Nevada Mountains that are tributary to the Sacramento and San Joaquin Delta (Map 1). The region includes the watersheds for the following rivers:

Yuba	Cosumnes	Stanislaus
Bear	Mokelumne	Tuolumne
American	Calaveras	Merced

Mountain Counties Water Resources Association Water Needs Assessment

-1-

Borcalli & Associates, Inc. March 1999

The Mountain Counties Water Resources Association encompasses the geographic region represented by the Central Sierra and counties of Sierra, Yuba, Nevada, Placer, El Dorado, Amador, Calaveras, Tuolumne, and Mariposa.

### **MCWRA & RCRC REGIONS**



Regional Council of Rural Counties (RCRC) shown here for information only.

MAP

#### **POPULATION**

Although the region is predominantly rural, it is expected to continue to experience a significant increase in population as people from the more heavily populated communities in the valley seek residence in the foothill communities. Population projections reported by the California State Department of Finance, as used by the California Department of Water Resources in preparing Bulletin No. 160-98, are presented in Table 1.

The estimated population for the region represents approximately 1.8 percent and 2.3 percent of the statewide population, respectively, in 1995 and 2020.

The ability of the region to expand basic infrastructure (i.e., water and sewer) to accommodate the increasing population is constrained by the relatively small customer base that exists in most areas.

#### WATER SUPPLY AND USE

The primary source of most public water supply is locally developed surface water. Many old and unimproved conveyance systems developed for mining operations are still in use. These systems include ditches, flumes, and pipes that have been in use for over 100 years. Many of these systems have significant losses, however, repairing or replacing some systems have been opposed by environmental groups and regulatory agencies since the losses have created wetland habitat. While water that is recovered from repairing or replacing the conveyance system may provide much needed additional supply, the associated costs are high.

The water demand for the respective counties was estimated by the California Department of Water Resources for Bulletin No. 160-98. The estimated water demand for each county for 1995 and 2020, is presented in Table 2. The water demand estimated for 1995 includes all water use (i.e., public water supply as well as groundwater supplied by privately-owned wells).

The water demand for the region, excluding the cited demand for environmental use, represents approximately 2.5 percent and 3.0 percent of the statewide water demand for 1995 and 2020, respectively.

#### COUNTY/DISTRICT WATER NEEDS PROFILE

Summarized on the following sheets are water needs profiles for counties and districts within the Association (profiles are not included for Sierra and Mariposa counties). The situation within the region with respect to having adequate water supplies generally falls into one of the following categories:

1. Where water entitlements are fully utilized, supplemental entitlements and infrastructure are required immediately.

Mountain Counties Water Resources Association Water Needs Assessment -3-

Borcalli & Associates, Inc.
March 1999

TABLE 1

## MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION WATER NEEDS ASSESSMENT

ESTIMATED POPULATION: 1995, 2020

County	1995	2020
Sierra	3,305	3,805
Nevada	75,050	135,650
Yuba	62,300	113,100
Placer	191,475	345,875
El Dorado	112,400	215,200
Amador	32,600	65,900
Calaveras	36,950	94,500
Tuolumne	51,500	91,900
Mariposa	15,900	28,000
TOTAL	581,480	1,093,930

Source: California Department of Finance, compiled by the California Department of Water Resources, Bulletin No. 160-98.

Mountain Counties Water Resources Association Water Needs Assessment

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Borcalli & Associates, Inc. March 1999 ψ

TABLE 2

# MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION WATER NEEDS ASSESSMENT

# ESTIMATED WATER DEMAND (DRY YEAR): 1995, 2020 (acre-feet/year)

	Municipal & Industrial		Agricultural		Environmental		Total w/Environmental		Total w/o Environmental	
County	1995	2020	1995	2020	1995	2020	1995	2020	1995	2020
Sierra	1,260	1,008	48,800	48,800	-	-	50,060	49,800	50,060	49,800
Nevada	18,913	31,064	44,500	44,500	-	-	63,413	75,564	63,413	75,564
Yuba	23,570	36,758	441,300	397,500	240,000	240,000	704,870	674,258	464,870	434,258
Placer	74,432	116,263	280,400	258,800	21,700	92,000	376,532	467,063	354,832	375,063
El Dorado	27,878	47,680	22,700	23,700	-	-	50,575	71,380	50,575	71,380
Amador	10,666	16,389	17,600	16,600	-	-	28,266	32,989	28,266	32,989
Calaveras	12,468	27,074	7,300	9,800	110,000	98,000	129,768	134,874	19,768	36,874
Tuolumne	13,212	20,326	13,300	20,900	64,000	64,000	90,512	105,226	26,512	41,226
Mariposa	3,911	6,888	7,200	7,200	367,000	367,000	378,111	381,088	11,111	14,088
TOTAL	186,310	303,450	883,100	827,800	802,700	861,000	1,872,107	1,992,242	1,069,407	1,131,242

Source: Information compiled by the California Department of Water Resources, Bulletin No. 160-98.

- 2. Where available supplies are fully utilized, new infrastructure to recover water losses will postpone the need for supplemental entitlements.
- 3. Where entitlements are adequate but new, and in several instances, significant infrastructure is required to convey the water to its place of use.

The water needs profiles for the respective counties and districts follow in the order presented below:

Yuba County Nevada County Placer County El Dorado County Amador County Calaveras County Tuolumne County

-6-

### YUBA COUNTY

#### MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION

#### YUBA COUNTY YUBA COUNTY WATER AGENCY

#### DESCRIPTION

The Yuba County Water Agency (Agency) uses the water yield from its Yuba River Development Project and wholesales water to several water purveyors in Yuba County. These water purveyors include: Browns Valley Irrigation District, Ramirez Water District, Cordua Irrigation District, Hallwood Irrigation Company, Brophy Water District, South Yuba Water District, and Dry Creek Mutual Water Company.

The primary source of surface water for Yuba County is from the Yuba River. During an average year the runoff that passes down the Yuba River is approximately 2.4 million acre feet. This water is used as follows:

- 4 percent is diverted by the agencies for irrigation
- 7 percent is diverted by other entities with their own water rights
- 17 percent is diverted to other watersheds for water and power by PG&E and the Nevada and Oroville-Wyandotte Irrigation Districts
- 72 percent stays in-stream

The Agency has, for several years, sold excess water to help alleviate drought conditions elsewhere in California.

Surface water and groundwater supplies available in Yuba County are sufficient to meet the foreseeable water demands. The Agency continues to investigate opportunities to firm up water supplies for the long term as well as to increase the level of flood protection.

An example is the Agency's proposed Waldo Project, a 300,000 acre-foot off-stream storage reservoir with the principal water supply diverted from the Yuba River.

# NEVADA COUNTY

#### MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION

#### **NEVADA IRRIGATION DISTRICT**

#### DESCRIPTION

Nevada Irrigation District (District) is located in the foothills 60 miles northeast of Sacramento, California. The District's service area contains 290,000 acres in Nevada, Placer, and Yuba counties. There are approximately 16,000 treated water connections as well as 5,000+ agricultural service diversions.

The District was founded in 1921, and has obtained water rights dating back to the mid-1800's; while there are some more recent appropriated rights, many and a vast majority of the rights are pre-1914.

Significant emphasis on the preservation of these rights and the quantities allowed and required to be use is of the most important projects of District staff.

#### **EXISTING WATER SUPPLY**

The District's water supply is surface storage in ten reservoirs totaling 250,000 acre-feet. Storage reservoirs are located on Middle Fork Yuba River, Canyon Creek, Deer Creek, and Bear River.

#### WATER DEMAND

Agricultural demands in Nevada, Placer, and Yuba counties total an average of 128,000 acrefeet; municipal and industrial demands are approximately 12,000 acrefeet. M&I growth is hovering at 1.2 percent and agricultural needs are not expected to increase in the immediate future.

#### SUPPLEMENTAL WATER SUPPLIES

The District does not expect to have a need for supplemental waters, however, should it become necessary, a contractual commitment exists with Pacific Gas & Electric Company for the purchase and delivery of 5,000 acre-feet from storage at Rollins Reservoir.

#### PROBLEMS/CONSTRAINTS

The only significant event on the horizon is the outcome of the hearings by the State Water Resources Control Board, as it proceeds to define the obligations of water rights holders to meet the recently established water quality criteria in the Delta.

1 of 2

The ongoing CalFed program may or may not have an effect on water quantities but, to secure the assurance that District water rights or storage will not be affected by the adoption of any of the three proposed, it is mandatory to have a sufficient amount of storage (surface on-stream or off-stream) to meet any projected "taking" to meet environmental fixes in and outside the Delta.

The District, as well as the many other members of MCWRA, have a duty and the right to adequately meet and maintain sufficient water for local needs and "public trust" commitments within areas of origin.

District water quality technicians continue to press forward in ensuring that the quality does not deteriorate due to outside endeavors, such as timber harvests, grazing allotments, as well as urban encroachments upon open canal facilities.

PLACER COUNTY

#### MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION

## PLACER COUNTY PLACER COUNTY WATER AGENCY

#### **DESCRIPTION**

The Placer County Water Agency (PCWA) has developed acquired water supplies and is a purveyor of water to the larger part of Placer County. PCWA's major water supplies are derived from its Middle Fork American River Project and a contract with PG&E. Additional water was obtained through a water service contract with the U.S. Bureau of Reclamation.

PCWA has sufficient water supplies to meet the needs of the greater part of Placer County for the foreseeable future.

The primary constraints confronted by PCWA are environmental in nature and related to the diversion of water under its entitlements from the American River system. Currently, PCWA's use of water from the American River is limited to approximately 2,500 acre-feet of its 120,000 acre-foot entitlement.

# EL DORADO COUNTY

#### MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION

#### EL DORADO COUNTY

#### DESCRIPTION

El Dorado County encompasses an area of 1,713 square miles, stretching across approximately 70 miles of valleys, foothills, and mountain peaks from Folsom Lake on the west to Lake Tahoe on the east. The Western Slope covers 1,498 square miles. The topography ranges from approximately 200 feet msl along the Cosumnes River at the southwest corner of the County, to more than 10,000 feet msl along the Sierra crest. The existing population of 147,600, is projected to reach 247,400 by 2020.

Public water supplies in El Dorado County are served by five water purveyors: El Dorado Irrigation District (EID), Georgetown Divide Public Utility District (GDPUD), Grizzly Flats Community Services District (GFCSD), South Tahoe Public Utility District (STPUD), and Tahoe City Public Utility District (TCPUD). EID, GDPUD, and GFCSD supply water to the Western slope, and STPUD and TCPUD serve the Tahoe Basin. This summary describes water supplies and demands associated with the Western Slope purveyors only.

#### EXISTING WATER SUPPLY

EID is the largest Western Slope purveyor, with a majority of water supplied from the South Fork American River through PG&E facilities and from Sly Park Reservoir on the North Fork Cosumnes River and Clear Creek. GDPUD is supplied from its Stumpy Meadows Project on Pilot Creek in the Middle Fork American River watershed. The GFCSD is supplied from North Canyon and Big Canyon creeks in the North Fork Cosumnes River watershed (see Water Demand and Supplies Figure).

#### WATER DEMAND

The existing water demand served by the Western Slope water purveyors, including agricultural use, is nearly 48,500 acre-feet per year. A substantial increase is expected in treated water deliveries to accommodate the future population. Significant increases are not anticipated for agricultural use.

#### SUPPLEMENTAL WATER SUPPLIES

Increasing water demands within EID and GDPUD will come primarily from new water supplies together with water conservation and a reduction in system losses. Supplemental water to meet increasing water demands within GFCSD will come from a new storage facility and groundwater well, and from a reduction in system losses. EID filed an application with the State Water Resources Control Board to utilize PG&E's appropriative water rights for consumptive use. Both EID and GDPUD are pursuing a new water service contract with the U.S. Bureau of Reclamation (USBR) under PL 101-514 for additional supplies from the American River system.

1 of 2

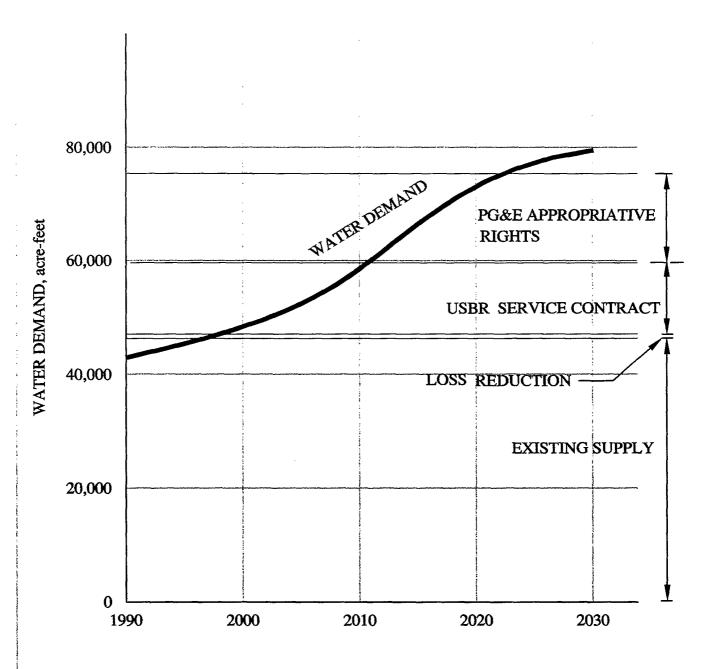
GDPUD is also pursuing other arrangements with entities having water rights in the American River Basin, including the City of Sacramento, Placer County Water Agency, and the East Bay Municipal Utility District. GFCSD will need to pursue a permit authorizing them to divert to supplemental storage.

#### PROBLEMS/CONSTRAINTS

The problems or constraints for El Dorado County, to meet its increased water demands, can be categorized as:

- 1. <u>Environmental</u> -- Environmental issues are anticipated relative to acquiring water rights permits and water service contracts, and implementing projects for conveyance of water and additional storage within the Western Slope.
- 2. <u>Legal</u> Obtaining water rights and executing new water service contracts with the USBR and various regulatory agencies to provide supplemental water will be time-consuming and difficult to accomplish even though the water needs are small in relation to the average annual runoff from the basin of more than 2.7 million acre feet.
- 3. <u>Financial</u> The cost for EID to construct new facilities to deliver supplemental water supplies from Folsom Lake, is approximately \$49 million. The cost to implement measures to reduce losses along GDPUD's ditch system will cost in excess of \$3 million. The cost to construct facilities to pump water from the North Fork American River is approximately \$11 million. The cost to develop supplies to meet the future demand of GFCSD is nearly \$5 million.

# EL DORADO COUNTY WATER DEMAND AND SUPPLIES



**AMADOR COUNTY** 

#### MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION

#### AMADOR COUNTY

#### DESCRIPTION

Amador County (population 34,000) lies approximately 50 miles from Sacramento, California, on the western slope of the Sierra Nevada between the South Fork Cosumnes River and the Mokelumne River. Elevations vary from 150 feet in the west to 9,332 feet at Mokelumne Peak in the east. There are five cities in the county making up approximately 35 percent of the total population.

Many water systems rely on old mining-era ditches for conveyance. Although there are no well-defined groundwater basins in Amador County, many people in the rural areas rely on groundwater from wells in fractured rock with unpredictable yield.

#### EXISTING WATER SUPPLY

The present source of water for four of the five cities is surface water from the Mokelumne River. The water is obtained by tapping into the storage and major conveyance facilities of Pacific Gas and Electric Company (PG&E). One city is using a combination of wells and surface supply diverted from the Cosumnes River through a ditch system. Jackson Valley Irrigation District has a limited supply of surface water from an interior watershed (Jackson Creek). The remainder of the county relies on the limited groundwater (see Water Demand and Supplies Figure).

#### WATER DEMAND

In 1994, the County's total urban and agricultural water demand was approximately 26,000 acrefeet. By year 2020, the total demand will be 37,000 acrefeet, and year 2030 over 40,000 acrefeet.

#### SUPPLEMENTAL WATER SUPPLIES

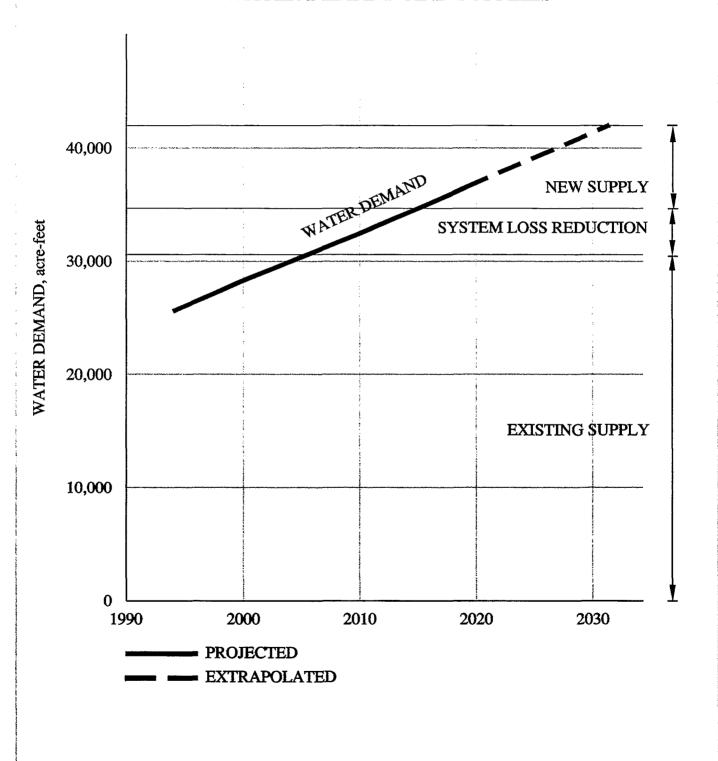
Groundwater supplies throughout Amador County are not reliable in terms of quantity and quality. Supplemental water to meet increasing water demands will be derived from a reduction in conveyance losses and from new supplies. Most likely, new supplies will have to come from the Mokelumne River. New supplies from the Mokelumne River will require arrangements with PG&E and/or East Bay Municipal Utility District (EBMUD) and for use of their storage facilities, and agreements concerning utilization of Calaveras' "County of Origin" reservations.

#### PROBLEMS/CONSTRAINTS

The problems or constraints for Amador County to meet its increased water demands are as follows:

- 1. <u>Environmental</u> -- Environmental issues are anticipated in implementing programs for water conservation and new water supplies. Reducing seepage losses along existing ditches may be an issue to the extent wetlands have become established. Increasing diversions from the Mokelumne River may also be an issue.
- 2. <u>Legal</u> -- Obtaining additional supplies from the Mokelumne River will require new agreements involving one or more of the parties with existing rights or entitlements.
- 3. <u>Financial</u> -- The cost to implement measures to reduce conveyance losses is approximately \$9 million. Costs of this magnitude are extremely expensive in relation to the revenue base in Amador County.

# AMADOR COUNTY WATER DEMAND AND SUPPLIES



**CALAVERAS COUNTY** 

#### MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION

#### **CALAVERAS COUNTY**

#### DESCRIPTION

Public water supplies in Calaveras County are served by five water purveyors: Calaveras County Water District; Calaveras Public Utilities District; Union Public Utility District; City of Angels; and Valley Springs Public Utility District. Calaveras County encompasses an area of 657,920 acres covering more than 50 miles of valleys, foothills, and mountain peaks, from Comanche Reservoir on the west to Bear Valley on the east. The topography ranges from approximately 200 feet msl in the northwest region to a peak of 8,170 feet msl near Alpine County. Twenty-three percent of the county is in public ownership. The existing population of nearly 40,000, is projected to more than double by 2020.

#### **EXISTING WATER SUPPLY**

The majority of the water supplied by the public water purveyors is from the North Fork Stanislaus and Mokelumne river systems with some from the Calaveras system at New Hogan Reservoir. Entitlements to meet long-term needs are available in the form of water rights, contracts, and agreements involving the North Fork Stanislaus, Mokelumne, and Calaveras rivers (see Water Demand and Supplies Figure).

#### WATER DEMAND

The existing water demand served by public water purveyors, including agricultural use, is nearly 12,000 acre-feet per year. A substantial increase is expected to accommodate the future population. A significant increase is anticipated for agricultural use associated with an emerging wine-producing industry as well.

#### SUPPLEMENTAL WATER SUPPLIES

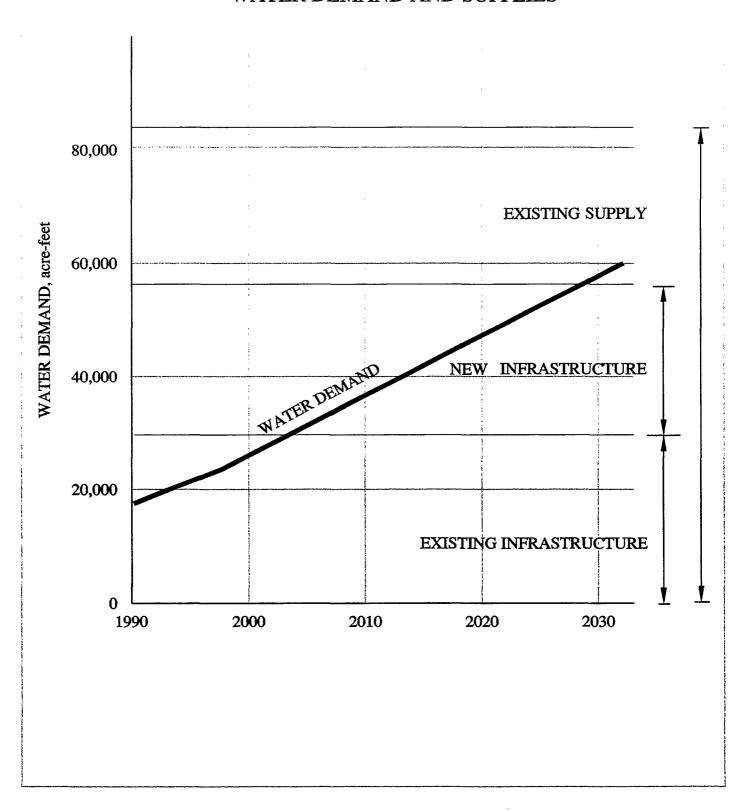
Entitlements exist to meet future water demands, however, a significant investment in new infrastructure will be required. Supplies from the North Fork Stanislaus River can be effectively utilized to meet a major part of the increased demands. Agreements with other parties including East Bay Municipal Water District, Amador County, Pacific Gas and Electric Company, and other downstream water users could facilitate this effort.

#### PROBLEMS/CONSTRAINTS

The problems or constraints for Calaveras County to meet its increased water demands include the following:

- 1. <u>Environmental</u> -- Environmental issues are anticipated for implementing projects for conveyance of water within the County.
- 2. <u>Legal</u> -- Agreements will be needed among various parties to facilitate executing arrangements that provide for the most effective utilization of the water resources available.
- 3. <u>Financial</u> -- The cost to construct water conveyance facilities to make effective use of the supplies available is approximately \$20 million.

# CALAVERAS COUNTY WATER DEMAND AND SUPPLIES



TUOLUMNE COUNTY

#### MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION

## TUOLUMNE COUNTY TUOLUMNE UTILITIES DISTRICT

#### DESCRIPTION

The service area of the Tuolumne Utilities District (TUD) contains nearly 80 percent of the population, permanent and seasonal, of Tuolumne County. The North Fork, Middle Fork, and South Fork Stanislaus and North Fork Tuolumne rivers run through TUD's service area, and the Main Fork Tuolumne River forms its south boundary.

The majority of TUD's raw water supply is conveyed through nearly 80 miles of ditches that were, to a large extent, constructed during the mining era of the 1800's, and were acquired from the Pacific Gas and Electric Company (PG&E).

#### **EXISTING WATER SUPPLY**

TUD obtains it water from the South Fork Stanislaus River through agreements with PG&E. PG&E owns and operates Lyons and Strawberry reservoirs, which have storage capacities of 5,700 and 18,312 acre-feet, respectively (see Water Demand and Supplies Figure).

#### WATER DEMAND

Treated water service represents approximately 50 percent of TUD's sales with the remaining 50 percent being delivered for agricultural and industrial use and golf courses. Treated water service is expected to comprise a greater percent of TUD's service in the future, although the water use for agriculture, industry, and golf courses is expected to increase as well. TUD's demand of approximately 17,000 acre-feet in 1995, is projected to increase to nearly 27,000 acre-feet by 2020.

#### SUPPLEMENTAL WATER SUPPLIES

The supplemental water to meet increasing water demands will be derived from a reduction in conveyance losses and water purchases from PG&E and the U.S. Bureau of Reclamation from New Melones Reservoir. TUD has investigated the development of New Lyons Reservoir with a capacity of up to 50,000 acre-feet, to satisfy its long-term water needs.

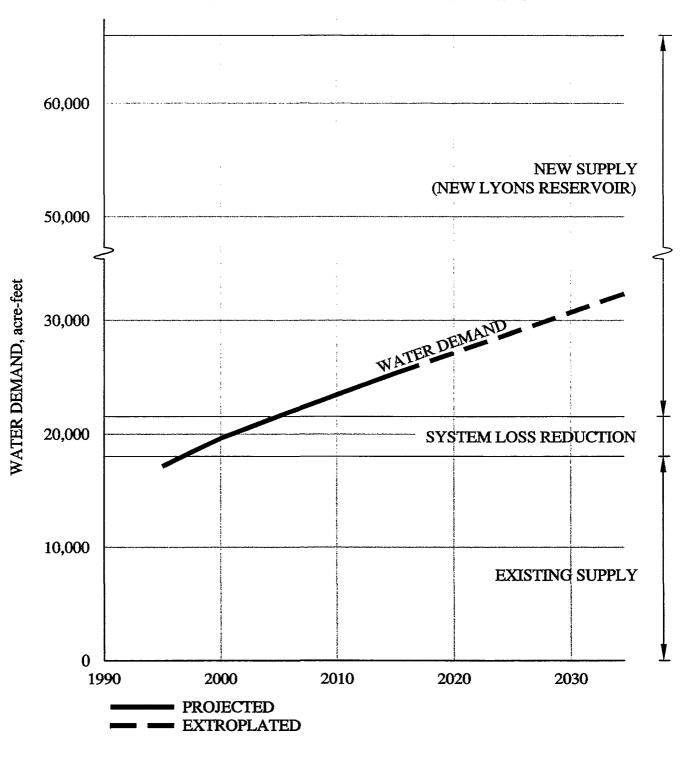
#### PROBLEMS/CONSTRAINTS

The problems or constraints for TUD to meet its increased water demands are as follows:

- 1. <u>Environmental</u> Environmental constraints are anticipated in implementing water conservation measures to reduce losses along existing ditches. The reduction of seepage may be an issue in areas where the seepage has created wetlands. Environmental issues may emerge with the construction of a New Lyons Reservoir as well.
- 2. <u>Legal</u> -- Developing New Lyons Reservoir will involve contract negotiations with PG&E, as it may affect operations under existing agreements, and numerous Federal (USFS, USFWS) and State (CDFG) agencies.
- 3. <u>Financial</u> -- The cost to implement measures to reduce losses along TUD's ditch system have been estimated to cost from \$6 to \$25 million, depending upon the extent to which the existing ditches are lined or replaced with pipe.

The cost to increase the capacity of New Lyons Reservoir is estimated to be \$35 million; however, an additional \$26 million is required to construct additional capacity in the main canal or pipeline to convey water to the transportation/distribution system when needed.

# TUOLUMNE COUNTY TUOLUMNE UTILITIES DISTRICT WATER DEMAND AND SUPPLIES



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MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION PROPOSAL FOR A CALFED SOLUTION

# MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION

7 NORTH MAIN STREET • P.O. BOX 667 • SAN ANDREAS • CA 95249 • TELEPHONE (209) 754-3883

December 7, 1998

#### VIA HAND DELIVERY

Bruce Babbitt
Secretary of the Interior
U.S. Department of the Interior
1849 C Street, North West
Washington, D.C. 20240-0001

Dear Secretary Babbitt:

The MCWRA has been a participant in the Ag/Urban facilitated effort for the past couple of years. It is our intent to help develop a proposal that will meet the water quality plan while continuing to meet all the water needs of the State of California.

The MCWRA encompasses the headwaters of many of the stream and storage systems that supply water to the Bay-Delta. As such, we are keenly aware of the importance of clean, high-quality water supplies for all uses, and of the potential impacts to us in this process.

The MCWRA is in full support of a program that results in all interests improving their respective situation, i.e., let's "get better together." In order to fully meet that goal, however, it is our firm belief that additional water storage facilities will be required to address all interests. These facilities need to be developed and constructed in an environmentally sensitive manner.

Our views on storage, watershed restoration, water conservation and related topics are summarized in the attached proposal. We hope you will give it careful consideration.

Sincerely,

Walt\_Shultz

President

DEC 07 1998

EL DORADO COUN WATER AGENCY

#### RECEIVED

## EXECUTIVE SUMMARY MCWRA CALFED PROPOSAL

DEC 07 1998

EL DORADO COUNT WATER AGENCY

To gain the support of MCWRA members and other rural Northern California constituents, CALFED must recognize the following concerns:

- The need for MCWRA members to obtain additional water supplies for present and future needs by exercising area of origin rights at new storage facilities and diversions, purchasing existing supplies, and implementing conservation and efficiency measures.
- The problems posed by environmental and allied opposition to all new storage or increased diversions, even when no alternatives exist, and to water conservation measures that enclose leaky, outmoded ditch conveyance systems.
- The financial obstacles to project development arising from the higher site development and environmental mitigation costs of present-day projects, and from the limitations of MCWRA members' small and dispersed rate bases.
  - CALFED's Stage I solution should address the above concerns as follows:
- Provide funding for studies of future supplies, including new facilities, reoperation of existing facilities, and conservation measures.
- Make substantial investments in watershed restoration efforts to enhance water quality and quantity.
- Provide firm assurances that "area of origin" rights will be preserved and facilitated.

CALFED's Stage II solution must provide tangible benefits to rural areas as all interests "get better together," as follows:

- Provide grants and low-cost loans for new water development projects to offset the financial obstacles summarized above.
- Increase water storage statewide to meed future consumptive demands, serve environmental needs, and ensure that the area of origin's rights to current and future supplies are not sacrificed to these other interests.
- Implement extensive watershed restoration programs.

Existing water supply projects located within MCWRA members' jurisdictions largely benefit others and had the economic advantages of being the most feasible and least burdened by the expense of recent environmental mandates. MCWRA members allowed these projects to be built in reliance upon the clear, statutory promise that they could exercise their "area of origin" rights in the future. For MCWRA, the future is now. The actions proposed above will provide statewide benefits while fulfilling the longstanding commitments owed to MCWRA's members.

## MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION PROPOSAL FOR A CALFED SOLUTION

The Mountain Counties Water Resources Association (MCWRA) is composed of water purveyors located in the foothill and mountainous region of the central Sierra Nevada. Water customers are relatively small in number but rapidly increasing and the supply facilities are widely dispersed and expensive to build and operate. It is a relatively unpopulated area, but serves as the recreational destination for much of California. The region is also the site of many water supply projects built to serve downstream users and to export supplies to coastal urban areas and San Joaquin Valley agriculture.

#### Water Supply Concerns

The MCWRA members have additional water needs to meet present and projected future population for the region. These additional supplies can be obtained from the following actions:

- A. Obtain and exercise water rights via new diversions and storage facilities under the area of origin and assignment of existing state filings.
- B. Obtain the rights to the use of existing water supplies through purchase and water supply contracts including contracts for CVP and SWP water supplies.
- C. Conservation through the implementation of BMPs and system improvements including lining and piping of the old existing mining era ditches.

#### Environmental Concerns

There are many concerns regarding the environmental conditions necessary to accommodate the increased water requirements in the MCWRA region. The specific concerns are:

- A. New water storage facilities are critical to meeting the future needs in some portions of this region including providing the needed dry year reliability required for the projected future population. It is apparent that new storage is being opposed by the environmental community on a statewide basis. There is little alternative to storage in meeting needs in this area since there are no large reliable groundwater supplies. This area is upstream from and often at much higher elevation than the existing large reservoirs, reducing the ability to access those supplies.
- B. Increasing diversions from rivers and streams has impacts on the environment, instream flows and the Bay/Delta inflow. In many cases increased diversions may affect the recreation values in the streams. Environmental and recreation interests are both opposed to many proposals for increased diversions. Often the slow and no growth activists join these interests in opposition to new facilities to increase water supply and reliability.

C. The lining and piping of the mining era ditches to promote water savings also affects wildlife habitat and wetlands formed by the leakage. Landowners who enjoy the amenity of an open watercourse oppose improvements. The state and federal resource agencies also have opposed such water conservation actions and at times the mitigation required to replace the habitat or wetlands has thwarted these conservation efforts because the demands have exceeded the ability of the responsible agency to finance, and the benefits from, the conservation effort.

#### Financial Concerns

The agencies in the MCWRA region needing additional water supplies have small relatively dispersed populations. Each service connection is expensive and adding more water to the system requires large financial commitments for a long period of time. This is compounded by the increasing costs of assuring drinking water safety and the level of treatment required for wastewater. New projects are more expensive because:

- A. The more feasible development sites have already been developed, often by entities outside the region with little benefit, especially water supply, within the region. New projects have to use less feasible sites at higher cost per unit of water.
- B. The environmental mitigation for new projects often is very expensive. At times the mitigation cost is high because of the cumulative impacts of previous projects that cannot be called upon to provide the desired environmental protection.
- C. Many projects have become "large" projects because of the site or the demands for dry year reliability due to many other factors in the system including flows for environmental purposes. The current rate base of the dispersed populations is insufficient to carry such a large commitment. Further, unlike previous generations, there seems to be a widespread unwillingness on the part of current rate payers to invest in the future for generations to come and "newcomers."

The development of a CALFED solution that will address these concerns and provide benefits to this region is essential to gain support from the MCWRA members and other rural Northern California constituents. Each stage of the CALFED action plan must have effective commitments to this area to fulfill the overall theme of "getting better together". At minimum, the following activities for the rural areas must be addressed in the Stage I plans:

- A. Money for studies for meeting future water supply needs including new facilities, reoperation of existing water and power systems, and conservation through major system infrastructure improvements.
- B. Investment in the watershed for restoration to provide improved water quality and quantity. This requires a substantial financial commitment to the current

#### CALFED watershed improvement program.

C. Firm assurances there will be no loss of water in the "area of origin," or in the ability to exercise area of origin rights, to protect the Bay/Delta water quality.

The "get better together" policy in Stage II in the rural area must provide tangible results as the other participants in the process realize improvements in their respective interests. When the Bay/Delta water quality is assured allowing downstream areas and exporters a reliable supply of good quality water, the upstream areas in Northern California must also be assured of similar availability of adequate reliable water supplies. To accomplish these goals, Stage II actions must include the following:

- A. Grants and low costs loans to enable development of local water supply to overcome the higher cost of the remaining sites and the higher environmental mitigation costs of projects in the current setting. These funds can be used to meet rural water needs by developing onstream storage on second, third, or lesser order streams to meet future water needs and dry year reliability, purchasing existing small power projects, and improving existing water delivery systems (lining and piping mining era ditches).
- B. Increased storage in the whole California water system to meet increased future demand, environmental demands and relieve the pressure on the "area of origin" for water supplies to meet Bay/Delta water quality standards. This includes new storage to offset any impact of increased upper watershed diversions for future needs in these rural areas under previous assurances of the right to divert needed water. The need for increased storage is dramatically demonstrated by the Department of Water Resource's recent Bulletin 160-98, which identifies major water shortages looming in California's future. By year 2020, with existing facilities and programs, the shortages average 2.4 million acre feet (maf) per year and rise to 6.2 maf in a drought year. Even with anticipated demand reduction, transfers, system improvements, reuse, and 670,000 to 820,000 acre feet in local and statewide reservoir projects, year 2020 shortages will remain at 2.7 maf in a drought year.
- C. Aggressive watershed restoration program as part of the ecosystem restoration effort to provide water quality benefits and water supply improvements to the whole system.

The use of state bond money for ecosystem restoration will improve the Bay/Delta ecosystem and consequently the water quality and reliability of the export water users. As this occurs, the rural areas must have a concurrent improvement in water supply quantity and reliability. The assurances must be actions that produce tangible results, not paper guarantees about the future.

CALFED projects that will increase system storage and Delta conveyance capability must also provide similar capability in rural areas to meet their current and future needs without challenge from downstream and Delta export areas. These may be joint venture projects in which the other areas of the state participate and derive benefits to their respective areas.

Further, the ecosystem must include the areas above the "big" dams in the upstream areas. There must be a serious emphasis placed on the watershed restoration and maintenance along with the efforts made in the downstream areas. This will assure the whole ecosystem is restored in a consistent manner and an effort in the downstream area is not negated by a lack of attention in the upper watershed areas.

In summary, existing water supply projects have had the economic advantages of being the most feasible and least burdened by the expense of recent environmental mandates, while conversely our region will have to bear the increased expense of current development which is exacerbated by its small rate base over which to spread costs. The statutory commitment to meet area of origin needs will remain unfulfilled and meaningless if the region cannot afford to build any of the necessary water supply projects.

Finally, as the CALFED program moves forward and public money is used to fund facilities that enhance the water quality, reliability and supply of project water users, so too there must be simultaneous improvements in water quality and environmental restoration brought about by the CALFED process in the MCWRA region. Just as the water supply project in Southern California involving Imperial Irrigation District, San Diego and the Metropolitan Water District has recently received a major legislative subsidy in recognition of the larger statewide general welfare, so too does our region need a direct investment of public monies to assure its needed and orderly water development future, or a share in water supply improvements made elsewhere.

4620 Nonthgate Boulevand, Suite 120 Sacramento, California 93834

Tel: 916-364-3300 Fax: 916-364-7699